

Fundamentals:

The S&P 500 ended nearly flat on Friday as gains in defensive sectors and energy offset weakness in megacap growth stocks, while investors looked toward next week's speech by Federal Reserve Chair Jerome Powell.

Megacap technology-related growth stocks dipped, with Alphabet down 1.9% and Tesla falling 1.7%, as investors fretted that interest rates could stay higher for longer.

The tech-heavy Nasdaq posted the biggest weekly decline of the three major indices, losing 2.6%.

With no major catalysts driving markets, focus has shifted to Powell's speech at the Jackson Hole economic symposium next Friday for clues on the interest rate outlook as well as earnings from chip designer Nvidia on Wednesday.

The S&P 500 lost 0.65 points, or 0.01%, to 4,369.71 and the Nasdaq Composite dropped 26.16 points, or 0.2%, to 13,290.78.

The Dow Jones Industrial Average rose 25.83 points, or 0.07%, to 34,500.66 points.

The CBOE volatility index hit its highest in nearly three months, reflecting rising investor anxiety.

Nvidia's shares fell 0.1%, but still notched a weekly gain. Nvidia has had a spectacular rally on expected growth in artificial intelligence, nearly tripling in value year to date.

Defensive sectors such as consumer staples and utilities rose, with gains in firms such as retailer Walmart helping the Dow Jones Industrial Average.

The S&P 500 energy index rose 0.9%, with Exxon Mobil among leading gainers, up 1.5%.

Among major movers of the day, Estee Lauder tumbled 3.3% after the cosmetics maker forecast its annual net sales and profit below Street estimates.

The Nasdaq has fallen 7.2% in the past three weeks, its deepest three-week drop since late December. The S&P 500's three-week loss of 4.6% is its biggest such decline since the three weeks ending on March 10.

This week's losses came after a spate of strong economic data caused investors to dial back expectations of rate cuts and drove up government bond yields.

Benchmark 10-year U.S. Treasury yields dropped from 10-month highs after they approached - but failed to break through - levels that would have been the highest since 2007 on Thursday.

Traders see a nearly 91% chance of the Fed holding rates at current levels at its September meeting, according to the CME Group's FedWatch tool.

Hawaiian Electric shares surged 14% after the utility firm said its goal was not to restructure the company.

Shares of cryptocurrency firm Coinbase Global fell 3% and Riot Platform tumbled nearly 5.5% as bitcoin hit a two-month low.

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The Federal Reserve's Jackson Hole meeting next week is the next major market focus.

Traders are adjusting for the likelihood that the U.S. central bank will hold rates higher for longer as U.S. economic data remains solid and Fed officials focus on bringing inflation down closer to their 2% annual target.

Fed funds futures traders are pricing in around 110 basis points of rate cuts in 2024, down from around 140 basis points a few weeks ago.

Expectations for ongoing increases in U.S. Treasury supply as the U.S. budget deficit widens is also weighing on the market.

The Bank of Japan's slow move away from ultra-easy policy is also raising concerns that U.S. debt will be less attractive to Japanese investors after adjusting for foreign exchange moves, as Japanese bond yields rise.

Ten-year yields were last at 4.253%, after reaching 4.328% on Thursday. A break above the 4.338% level reached in October would bring yields to their highest since November 2007.

So-called real yields, which adjust for expected inflation, also held below Thursday's levels. Yields on 10-year Treasury Inflation-Protected Securities (TIPS) were last at 1.942%, after reaching 2.002% on Thursday, the highest since 2009.

Comments by Fed Chair Jerome Powell at the Federal Reserve Bank of Kansas City's annual symposium in Jackson Hole, Wyo., will next be evaluated for any new rate clues.

The Fed's Sept. 19-20 meeting will also give new interest rate clues as Fed officials will update their interest rate projections for the coming quarters.

Thirty-year Treasury yields were last at 4.380%, after hitting 4.426% on Thursday, the highest since 2011.

Two-year yields were at 4.936%. They are holding below yields of 5.120% reached on July 6, which were the highest since June 2007.

The inversion in the yield curve between two-year and 10-year notes deepened to minus 69 basis points.

(Source: Reuters)

Economic Releases	Period	Survey	Actual	Prior	Revised
08/18/2023 18:00	Bloomberg Aug. United States Economic Survey				
08/22/2023 20:30	Philadelphia Fed Non-Manufacturing Activity	Aug	--	--	1.4
08/22/2023 22:00	Existing Home Sales	Jul	4.15m	--	4.16m
08/22/2023 22:00	Existing Home Sales MoM	Jul	-0.20%	--	-3.30%
08/22/2023 22:00	Richmond Fed Manufact. Index	Aug	-10	--	-9
08/22/2023 22:00	Richmond Fed Business Conditions	Aug	--	--	-8
08/23/2023 19:00	MBA Mortgage Applications	Aug-18	--	--	-0.80%
08/23/2023 21:45	S&P Global US Manufacturing PMI	Aug P	49	--	49
08/23/2023 21:45	S&P Global US Services PMI	Aug P	52	--	52.3
08/23/2023 21:45	S&P Global US Composite PMI	Aug P	51.5	--	52
08/23/2023 22:00	New Home Sales	Jul	704k	--	697k
08/23/2023 22:00	New Home Sales MoM	Jul	1.00%	--	-2.50%
08/23/2023 22:00	Prelim. Benchmark Revision to Establishment Survey Data				

Contract	Close	Change	High	Low
E-Mini Dow SEP 23	34,565.00	11.00	34,660.00	34,328.00
E-Mini S&P SEP 23	4,382.75	-3.000	4,396.00	4,350.00
E-Mini NASDAQ SEP 23	14,744.00	-29.75	14,802.75	14,609.25
Micro Russell 2K JUN 22	1863.9	7.7	1871.3	1837.8
USD Nikkei SEP 23	31,475.0	85.0	31,640.00	31,245.00
Euro Dollar #N/A Invalid Security	0.00	0.000	0.00	0.00
US Dollar Index	103.46	-0.115	103.68	103.23
DJIA	34,500.66	25.830	34,587.07	34,263.19
S&P 500	4,369.71	-0.650	4,381.82	4,335.31
NASDAQ	13,290.78	-26.150	13,335.87	13,161.76
Nikkei 225	31,450.76	-175.240	31,644.89	31,275.25
Hang Seng	17,950.85	-375.780	18,336.41	17,936.43
Straits Times	3,173.93	-22.820	3,186.31	3,166.60
DAX	15,574.26	-102.640	15,612.88	15,468.65
CAC	7,164.11	-27.630	7,172.99	7,092.72
FTSE 100	7,262.43	-47.780	7,310.21	7,215.76

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	7.47	9.03	10.04	10.77
E-Mini S&P Futures	8.58	10.21	10.54	11.58
E-Mini Nasdaq Futures	11.66	16.94	19.53	18.27

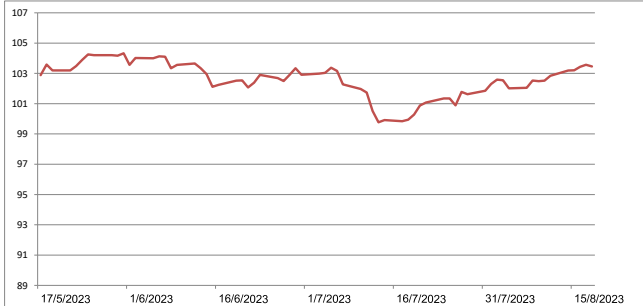
U.S. Government Treasuries Yield



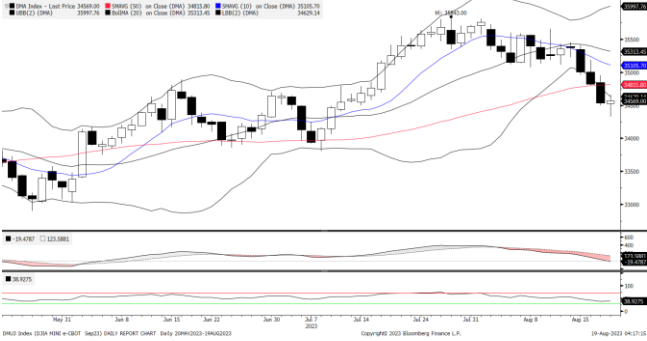
CBOE Volatility Index (VIX)



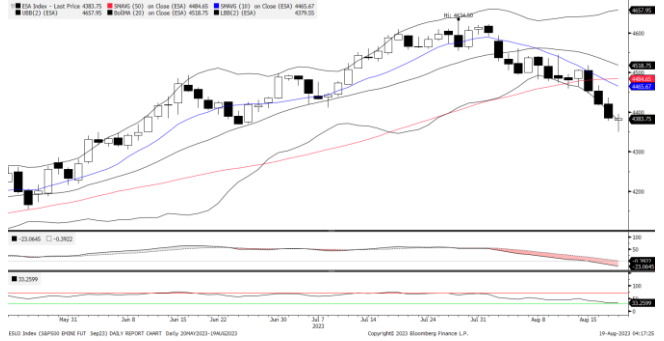
Dollar Index



E-Mini Dow Index Futures Daily Chart



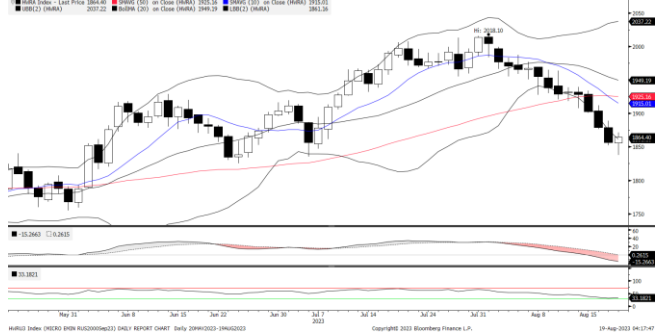
E-Mini S&P 500 Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Technical Analysis

Dow				S&P				Nasdaq				Micro Russell			
1st Resistance:	35083	2nd Resistance:	35602	1st Resistance:	4448.49	2nd Resistance:	4514.23	1st Resistance:	14965.16	2nd Resistance:	15186.32	1st Resistance:	1891.86	2nd Resistance:	1919.82
1st Support:	34047	2nd Resistance:	33528	1st Support:	4317.01	2nd Resistance:	4251.27	1st Support:	14522.84	2nd Resistance:	14301.68	1st Support:	1835.94	2nd Resistance:	1807.98
MACD:	-21.478			MACD:	-23.274182			MACD:	-132.761			MACD:	-15.341		
MACD DIFF:	-144.356			MACD DIFF:	-22.801654			MACD DIFF:	-98.623			MACD DIFF:	-15.554		
RSI:	38.325			RSI:	32.993280			RSI:	33.716			RSI:	32.974		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	34047	34387	33876	33528	33863	33660	35083	34733	35259	35602	35246	35780
S&P	4317.01	4360.18	4295.42	4251.27	4293.78	4230.01	4448.49	4404.01	4470.73	4514.23	4469.09	4536.80
Nasdaq	14522.84	14668.07	14450.23	14301.68	14444.70	14230.17	14965.16	14815.51	15039.99	15186.32	15034.46	15262.25
Micro Russell	1835.94	1854.30	1826.76	1807.98	1826.06	1798.94	1891.8585	1872.94	1901.32	1919.817	1900.62	1929.42

Source: Bloomberg

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